



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
Determination of Need Program
250 Washington Street Boston, MA 02108

CHARLES D. BAKER
Governor

KARYN E. POLITO
Lieutenant Governor

MARYLOU SUDDERS
Secretary

MONICA BHAREL, MD, MPH
Commissioner

MEMORANDUM

TO: Interested Parties

FROM: Nora Mann, Director, Determination of Need Program

DATE: May 12, 2017

RE: Filing Fee

The purpose of this memorandum is to provide interested parties with guidance on: calculating the Total Value of a Proposed Project and determining the filing fee for a Determination of Need ("DoN") application.

The 2017 DoN regulation at 105 CMR 100.405(B) requires all applicants to pay a filing fee based on the Proposed Project's Total Value. Total Value is defined as:

The sum of the total Capital Expenditure of a Proposed Project; or in the case of a Transfer of Ownership..., the total capital value or the last full year of reported operating revenues, whichever is greater, of the proposed facility or facilities to be acquired at the time of the Filing Date.

The DoN regulation requires Applicants to pay a filing fee for both proposed transfers of ownership and proposed capital expenditures. For the purposes of determining Total Value for a proposed transfer of ownership, an Applicant shall total the line item for net patient service revenues of the facility or facilities proposed to be acquired in order to calculate "reported operating revenues".

In order to ensure that the filing fee does not inappropriately fluctuate for reasons unrelated to the scope of the DoN project and to better align the calculation of the filing fee for proposed transfers of ownership with the methodology used when calculating substantial capital expenditures, this memo clarifies that for determining the filing fee for proposed transfers of ownership, the Total Value is the total capital value or the last full year of reported net patient service revenues of the facility or facilities proposed to be acquired, whichever is greater. The filing fee for these projects is calculated as the greater of \$500 or 0.2% of the Proposed Project's Total Value, provided that no filing fee for a proposed transfer of ownership shall exceed \$2M.

For purposes of determining the filing fee for DoN Applications involving substantial capital expenditures, the Total Value continues to be the sum of the total capital expenditure the proposed project. The filing fee for these projects is calculated as the greater of \$500 or 0.2% of the Proposed Project's Total Value.

Please direct any questions or comments about this memorandum to the Determination of Need Program at dph.don@state.ma.us.